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Yugoslavia

United States Department of State
Bureau of Public Affairs

April 1989

Official Name: Socialist Federal Republic of Yugoslavia

PROFILE

Geography

Area: 255,804 sq. km. (99,000 sq. mi.); about the size of the State of Wyoming. **Cities:** *Capital*—Belgrade (pop. 1,300,000). *Other cities*—Zagreb (700,000), Skopje (440,000), Sarajevo (400,000), Ljubljana (300,000). **Terrain:** One-third lowland hills and plains, with remainder mostly mountainous. **Climate:** Coast, hot in summer, rainy and mild in winter; inland, warm in summer, cold in winter.

People

Nationality: *Noun and adjective*—Yugoslav(s). **Population** (July 1988 est.): 23,137,000. **Annual growth rate:** 7%. **Ethnic groups:** Serbs 36.2%, Croats 19.7%, Bosnian Muslims 8.9%, Slovenes 7.8%, Albanians 7.7%, Macedonians 5.9%, Montenegrins 2.5%, Hungarians 1.9%, Gypsies .7%, Turks .5%, Slovaks .4%, Romanians .2%, Ruthenians/Ukrainians .2%. **Religions:** Eastern Orthodox (Serbian and Macedonian) 41%, Roman Catholic 12%, Muslim 3%. **Languages:** Serbo-Croatian, Slovenian, Macedonian (official); Albanian, Hungarian, Italian. **Education:** *Attendance*—99% (primary school, 1979). *Literacy*—90%. **Health:** *Infant mortality rate* (1983)—31.7/1,000. *Life expectancy*—men 68 yrs., women 73 yrs. **Work force** (1984): 9.7 million. *Nonagricultural*—6.4 million. *Agricultural*—2.3 million. *Unemployed*—1 million.

Government

Type: Federal Republic. **Independence:** December 1, 1918. **Constitution:** February 1974.

Branches: *Executive*—president of the Presidency (chief of state) rotated annually from among the collective body. Premier (head of government and president of the Federal Executive Council, 4-yr. term). *Legislative*—bicameral Assembly (308 delegates), Federal Executive Council (cabinet is Assembly's executive arm). *Judicial*—Constitutional Court, Federal Supreme Court.

Administrative subdivisions: 6 republics, 2 autonomous provinces.

Political party: League of Communists of Yugoslavia. **Suffrage:** Universal over 18.

Defense (1987 est.): 4.8% of GNP.

Flag: Blue, white, and red horizontal stripes with a centered five-pointed red star edged in gold.

Economy

GNP (1985): $54.5 billion. **Annual growth rate** (1985–86): Approx. 3%. **Per capita GNP** (1985): $2,358. **Avg. inflation rate** (1986–87 cost of living increase): 120%; December 1987 rate, 167%.

Natural resources: Coal, copper, bauxite, timber, iron, antimony, chromium, lead, zinc, asbestos, mercury.

Agriculture (16% of GDP): *Products*—corn, wheat, tobacco, sugar beets, livestock. *Land*—69% arable, 33% of which is plowland.

Industry (47% of GDP): *Types*—wood, processed food, nonferrous metals, machinery, textiles, leather goods, construction.

Trade (1986): *Exports*—$10.4 billion: agricultural products (including processed meats), wooden furniture, leather goods and shoes, textiles, ships, mineral ores, metal products, tobacco. *Major markets*—USSR, Italy, FRG, US, Czechoslovakia. *Imports*—$12 billion: machinery and metal products, chemicals, iron, petroleum, coking coal, steel, agricultural products. *Major sources*—USSR, FRG, Iraq, Italy.

Official exchange rate (July 1988): 2,160 dinars = US$1.

Economic aid received: *Total* (1945–76)—$5 billion. *US aid* (1949–65)—$2.9 billion, including $700 million in grant military assistance (1951–59). US economic aid ceased on January 1, 1967.

Membership in International Organizations

UN and some of its specialized and related agencies, including the International Monetary Fund (IMF), the World Bank, the International Atomic Energy Agency (IAEA), and the General Agreement on Tariffs and Trade (GATT); Council for Mutual Economic Assistance (CEMA, observer status); Organization for Economic Cooperation and Development (OECD); Nonaligned Movement.

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GEOGRAPHY

Lowland hills and plains containing most of Yugoslavia's agricultural land cover about one-third of the area in a rough oval that extends from Zagreb in the northwest to Nis in the east. A few minor mountain ranges interrupt these lowlands. The rest of the country is mountainous, except in the northeast. The chief mountain chain, the Dinaric Alps, runs parallel to the Adriatic coast.

Yugoslavia controls the most important land routes from Central and Western Europe to the Aegean Sea and Turkish straits. The Danube River—the most important water route from Central and Western Europe to the Black Sea—flows through northeastern Yugoslavia.

Along the Adriatic coast the climate is hot in summer and mild and rainy in winter. In the interior, the climate is moderate with seasonal variations, comparable to that of the U.S. east coast between Virginia and Rhode Island.

PEOPLE

Yugoslavia's population has the greatest ethnic and religious diversity in Eastern Europe. The nation formed in 1918 contained the principal South Slav groups and an additional 17 minorities, which currently are still distinguishable.

Religious groups largely follow ethnic lines. The 7 million members of the Orthodox faith include most Serbs, Montenegrins, and Macedonians. There are more than 5 million Roman Catholics, including most Croats, Slovenes, and Hungarians. A considerable portion of the population in the Bosnia-Hercegovina Republic, the small Turkish minority, and most of the Albanian minority total more than 2 million Muslims.

The principal language is Serbo-Croatian; other official languages are Slovenian, Macedonian, Albanian, and Hungarian.

Young Yugoslav women in traditional dress.

HISTORY

Prior to World War I, the area which became Yugoslavia comprised the Kingdoms of Serbia and Montenegro, plus parts of the Turkish and Austro-Hungarian Empires. This area occupied a strategic geopolitical position and was the object of rivalry between the great European powers. In 1914, world attention focused on Sarajevo in central Yugoslavia, the site of the assassination of Austrian Archduke Franz-Ferdinand—the spark that ignited World War I. Serbia had led the movement for unification, and in December 1918, the Kingdom of the Serbs, Croats, and Slovenes emerged from the war a new nation. In 1929, its name was changed to Yugoslavia.

Between the two World Wars, Yugoslav politics were dominated by nationalistic conflicts between the Serbs and the Croats. Adoption of the "Vidovdan" constitution of June 28, 1921, placed all parts of the country under a centralized administration based on the French system. The Serbs and their political allies, the Slovenes, dominated the highly centralized government at Belgrade. The Croats pressed for a federal structure granting a certain amount of regional and ethnic autonomy. The political struggle between the Serbs and the Croats erupted violently in 1928, when a Montenegrin Serb shot the Croatian leader, Stjepan Radic, in the parliament for insulting the Serbs. In protest, the Croats withdrew from parliament, and King Alexander established a royal dictatorship, downplaying regionalism and nationalism and espousing "Yugoslavism." Nevertheless, the struggles continued, and in 1939, on the eve of World War II, Croatia was granted considerable autonomy.

King Alexander was assassinated by emigre extremists at Marseille in 1934. His successor, the regent Prince Paul, abandoned the King's pro-French foreign policy for one that resulted in Yugoslavia's adherence to the German-Italian-Japanese tripartite pact on March 25, 1941. Pro-allied Serb military elements, aware of wide public opposition to this move, staged a successful coup and replaced Prince Paul with the 17-year-old King Peter. Beginning April 6, 1941, the armed forces of Germany, Italy, Hungary, and Bulgaria invaded Yugoslavia and forced the royal family and the government into exile.

During the war, the country was torn by invaders and by internal ethnic, religious, and political strife. A Fascist, pro-Nazi, Croatian separatist group, the "Ustashe," seized power in Zagreb and, on April 10, 1941, established the so-called Independent State of Croatia that allied itself with the Axis. Resistance forces in Yugoslavia were split into the "Yugoslav Army in the Fatherland" (popularly known as Chetniks), which had close ties to the exiled government, and the National Liberation Army (the Partisans), led by Marshal Josip Broz Tito and the Communist Party. In vicious and tragic fighting against the occupiers and each other, the war cost close to 2 million Yugoslav lives, about half of them at the hands of fellow Yugoslavs.

The Partisans developed a broader, more active resistance to the invaders and established their own government in the areas they controlled in late 1943. The Allies recognized the Partisans' effectiveness by sending military missions to Tito's headquarters in mid-1943 and by gradually allocating most of the supplies and equipment available for the resistance effort to his forces rather than to those of Draza Mihailovic's Chetniks. The Partisans' increasing power was facilitated in part by their control of considerable territory and arms during the time Italian forces surrendered to the Allies.

Allied pressure induced formation of a coalition government in 1945, but communist-controlled elections produced a provisional assembly that proclaimed the Federal People's Republic of Yugoslavia on November 29. On January 31, 1946, a Soviet-type constitution was adopted, and Yugoslavia officially became a "people's republic," headed by Tito.

In the immediate postwar period, Tito worked closely with Stalin, but

Yugoslavia's insistence on independence strained relations. In 1948, Stalin ordered Yugoslavia's expulsion from the Cominform and imposed an economic blockade.

Economic and military assistance contributed by the United States and its Western allies after the 1948 break helped Tito to maintain Yugoslav independence despite Cominform pressure. With this support, Tito embarked on policies to consolidate public support, strengthen the economy, and justify Yugoslavia's "independent road to socialism"—policies that made Yugoslavia a maverick in communist theory and practice. The rigid Cominform economic blockade from 1949 to 1953 led to a reorientation of Yugoslav trade toward the West, and Yugoslavia broadened its contacts with the free world in political and cultural fields as well.

Yugoslavia's search for an independent base produced efforts in the mid-1950s to identify itself as a leader of nonaligned nations, avoiding proximity to either the Soviet or the Western military bloc. Yugoslavia has been active in the Nonaligned Movement since the early 1960s and also in international conferences dealing with trade and development.

GOVERNMENT

The Socialist Federal Republic of Yugoslavia comprises six republics (Serbia, Croatia, Slovenia, Bosnia-Hercegovina, Montenegro, and Macedonia) and two autonomous provinces—Kosovo and Vojvodina, both within the Serbian Republic. Each republic or province has a government—with considerable autonomy—modeled on the federal structure. The federal government has executive, legislative, and judicial branches.

The nine-member Presidency of the Socialist Federal Republic of Yugoslavia is the supreme executive and policymaking body. It comprises one representative from each of the six republics, and two autonomous provinces and, *ex officio*, the president (presiding officer) of the party. Members are elected for 5-year terms by the republican and provincial assemblies in joint sessions. The last presidential election was held in 1984. Tito served as president of the republic and of the Presidency until his death in May 1980, when, in accordance with the constitution, the vice president of the Presidency became president, and Tito's position as president of the republic was abolished. The president's 1-year term rotates each May 15th among the members in prescribed order. Kosovo's representative, Sinan Hassani, became president in May 1986. He was followed by Lazar Mojsov, Macedonia's representative, in May 1987, and by Bosnia-Hercegovina's representative, Raif Dizdarevic, in May 1988. Slovenia's representative, currently Stane Dolanc, is scheduled to become president in May 1989.

The Assembly consists of two houses, the Federal Chamber and the Chamber of Republics and Provinces. The former has 30 delegates from each republic and 20 from each autonomous province (220 total) elected from local assemblies that are elected in factories, institutions, townships, and other "interest communities." Elections were held in March and April 1982. The Chamber of Republics and Provinces is composed of delegates chosen by the republican and provincial assemblies—12 and 8 from each, respectively.

The Assembly's executive and administrative arm is the Federal Executive Council, which is essentially equivalent to a cabinet. Its members are roughly selected on the principle of equal representation of the republics and provinces. Its presiding officer (called the president of the Federal Executive Council, and similar to a prime minister) is proposed by the Presidency and elected by the Assembly. The current Council president, Branko Mikulic, was elected in May 1986 to a 4-year term.

The Constitutional Court rules on the constitutionality of all laws and regulations. The Federal Supreme Court is the highest court in the judicial system; it reviews decisions of republic courts and ensures the uniform application of law by all courts. Judges are nominated by the executive and approved by the legislative branch.

Principal Government Officials

President of the Presidency—Raif Dizdarevic
President, Federal Executive Council—Ante Markovic
Vice Presidents, Federal Executive Council—Zivko Pregl Aleksandar Mitrovic
President, Constitutional Court—Stojan Djuranovic
President, Federal Assembly—Dusan Popovski

Federal Secretaries
Foreign Affairs—Budimir Loncar
National Defense—Veljko Kadijevic
Foreign Economic Relations—Franc Horvat
Internal Affairs—Petar Gracanin
Legislation, Justice, and Administration—Dr. Vlado Kambovski
Finance—Branko Zekan

Ambassador to the United States—Zivorad Kovacevic
Ambassador to the United Nations—Dragoslav Pejic

Yugoslavia maintains an embassy in the United States at 2410 California Street NW., Washington, D.C. 20008 (tel. 202–462–6566). Consulates general are in New York, Pittsburgh, Chicago, and San Francisco, and a consulate is in Cleveland. The Yugoslav Press and Cultural Center is located at 767 Third Avenue, 18th floor, New York, New York 10017.

POLITICAL CONDITIONS

Since the early 1950s, Yugoslavia has followed a pragmatic policy that moderates many features of more orthodox Marxist regimes in pursuing the leadership's own interpretation of socialism. Certain basic human rights are recognized and protected in Yugoslavia, although they tend to be defined more in social and economic terms than in Western terms of political and civil liberties. Most Yugoslavs may travel abroad freely and, until the introduction of austerity measures in 1982, did so in increasing numbers. Emigration is permitted—there are no divided family cases in Yugoslavia—and about 625,000 Yugoslavs work in Western Europe. Churches are open, and seminaries are allowed to function and expand. Private property rights are respected—84% of all farmland is privately owned—and in manufacturing, small, private firms have begun to operate. Economic and social rights are so strongly protected that it is difficult to fire a worker, even with cause.

Respect for some other civil liberties, however, varies considerably from region to region. Although the League of Communists (LCY) is the only political party permitted in Yugoslavia, some regions—notably Slovenia and Croatia—have introduced hard-fought, multicandidate elections for some important positions in both party and government. In much of the country, a free-wheeling press recently has become a key outlet for public expression, approaching Western standards of openness in several republics. Nevertheless, some

political taboos, such as open criticism of Tito, remain, and individuals continue to be prosecuted on political grounds. Currently, most political prisoners have been jailed for publicly expressing ethnic-nationalist antagonism toward other Yugoslav ethnic groups or the current constitutional order. A majority of such prisoners are members of the non-Slavic Albanian ethnic minority, which generally claims to be the object of discrimination in Slavic Yugoslavia.

The concept of self-management, which is basic to the Yugoslav system, affords operational control to workers' councils in factories and other organizations and institutions. The system of "delegate democracy," opposed to representational democracy, is designed to elect "nonprofessional" politicians and to ensure that workers have direct political power. The aim is to produce a genuine federalism through decentralized decisionmaking. In keeping with political decentralization, most key national issues are decided by consensus among the regional representatives at the federal level. Some Yugoslavs believe the decentralized decisionmaking system is needlessly cumbersome. Others hold that real decentralization is a necessary component of this multinational state.

League of Communists

The LCY is the only political party permitted to function. The executive and policy management of the party is conducted by a 23-member Presidency that includes three representatives from each republic, two from each province, and one from the armed forces. After Tito's death, an annual rotation cycle was established for selecting the formal head of the Presidency, and the president of the Presidency of the Central Committee. The president is selected each June from one of the republics or provinces. President Stipe Suvar from Croatia currently is responsible for convening and conducting meetings of the LCY Presidency.

In June 1982, LCY membership exceeded 2 million, about 9% of the population. The rank and file are relatively young, but the party is still dominated by those who participated in the wartime struggle against the Axis. The party's influence permeates all levels of government through the presence of party "delegates" in state organs.

The party does not function as a Soviet-style monolith but permits open expression of differences on some major policy issues. The federal-level party, moreover, exercises virtually no control over most activities of the regional party organizations.

ECONOMY

Since the end of World War II, the Yugoslav economy has been transformed from its war-devastated agrarian condition into an industrialized, "mid-level" technological economy, and the standard of living rose steadily until 1980. Yugoslavia's postwar economic policy of Soviet-style, highly centralized planning was abandoned in the 1950s in favor of a decentralized, somewhat more market-oriented model. Since the early 1950s, the economy has been based on "workers' self-management," a socioeconomic theory of organization that the Yugoslavs consider their unique contribution to Marxism. The main principle is that factories, institutions, and other assets belong not to the state but to society as a whole. Under self-management, responsibility for decisions on investment, production, prices, and incomes has shifted in theory from political bodies to individual enterprises, although government and party bodies in practice continue to influence and even dictate important decisions by many firms. Through self-management councils, the workers manage their firms' assets for the benefit of society as a whole as well as for their own economic betterment.

Decentralization of economic decisionmaking was accompanied in the mid-1960s by a significant devolution of economic and political authority to Yugoslavia's six republics and two autonomous provinces. This process culminated in the 1974 constitution, which sharply limited the role of the federal government in economic policy formulation.

Despite changing policy directions, Yugoslavia's medium- and long-term economic goals have remained constant—high growth and rapid industrialization. Industrial policy has focused on developing technology in a wide range of domestic industries. Although these industries have improved considerably, the range and supply of products available to Yugoslav consumers, the rapid industrial expansion has been conditioned on a major increase in imports of raw materials, semifinished products, key components, and industrial equipment. Since the early 1970s, policymakers have been frustrated by the sporadic, cyclical nature of economic growth. Periods of rapid industrial expansion inevitably led to balance-of-payments pressures and the eventual imposition of austerity measures to check growth and imports. As Yugoslavia entered the 1980s, the country found itself in another of these cycles. Heavy foreign borrowing in the 1970s for investment in import-substitution projects left the country with a hard-currency debt burden approaching $20 billion, which was increasingly difficult to service due to the sluggish world economy and the general

Harbor on Sava River, Belgrade.

tightening of credit markets following the "oil shocks" of 1974 and 1979.

Much of the money borrowed abroad had been invested in large projects either insufficiently oriented toward the exports needed to earn foreign exchange or unprofitable from their inception. By 1982, Yugoslavia was compelled to seek debt relief and refinancing from its foreign creditors, which include more than 600 foreign banks, 16 foreign governments united as the "Friends of Yugoslavia," and international financial institutions, such as the World Bank and the International Monetary Fund (IMF). The government appointed a "blue-ribbon" commission in 1981 to study the country's economic problems and make recommendations for reforms that would return the country to self-sustaining economic growth. The Kraigher Commission reforms were approved by the Federal Assembly in July 1983 and incorporated into what has become the Long-Term Program of Economic Stabilization, which remains the formal keystone of Belgrade's economic policies. Principal elements of this program include a plan to reduce the country's debt-service ratio substantially by 1990 through intensive export promotion programs and efforts to expand the scope of market forces throughout the economy in order to increase productivity and output.

Adding to the complexity of Yugoslav economic choices are the striking regional disparities in economic well-being that remain despite three decades of intensive development efforts. Although the Yugoslav per capita gross national product (GNP) is estimated at $2,358, the highly industrialized northern Republic of Slovenia enjoys a per capita income more than five times higher than that of the Albanian-populated Province of Kosovo in the southeast. This north-south disparity of economic development and living standards is a sensitive issue with important political and social ramifications. Despite efforts to transfer wealth from north to south, the development gap has continued to widen over the past two decades. In periods of retrenchment, the poorer areas tend to suffer most, and Yugoslav officials view the resumption of sustained economic growth as vitally important to maintaining domestic stability.

Faced with the familiar problems of a developing country—rapid inflation, significant unemployment, and severe balance-of-payment and debt pressures—the Yugoslav Government has worked intensively to stabilize the foreign debt situation by strengthening its balance-of-payments position. Despite several surpluses since 1983, however, nagging debt payment difficulties have forced Belgrade to negotiate a series of rescheduling agreements with Western creditors, most recently in early 1988. Belgrade currently has a standby agreement with the IMF.

Yugoslav authorities have tried several times to introduce significant economic reforms that would expand the role of the free market in areas such as pricing, tightening requirements for profitability among enterprises, restraining aggregate demand—particularly excessive wage growth—and improving the climate for foreign investment. Progress has been halting, however, largely because of strong public dissatisfaction with austerity measures, openly expressed through a record and growing number of strikes (1,570 in 1987). Yugoslav officials, nevertheless, continue their commitment to allowing greater freedom in domestic markets to promote long-term economic recovery.

Trade

Yugoslavia strives for a rough balance in its trade relations with Western nations, with the socialist bloc, and with developing countries. In 1987, Yugoslav trade with the Soviet Union and other members of the Council for Mutual Economic Assistance amounted to about 33% of total trade; trade with Western industrialized countries of the Organization for Economic Cooperation and Development accounted for about 54%, and trade with the Third World for about 14%.

The United States is fourth among Yugoslavia's major trading partners, with a 5.7% share of total trade. Total volume of trade between the two countries has held steady since 1982 at about $1 billion. In 1987, U.S. exports to Yugoslavia totaled $461 million (down 13% from 1986) and imports from Yugoslavia were $871 million (up 22% from 1986). Principal U.S. exports include agricultural commodities (especially soybeans and cotton), hides and skins, coal and petroleum coke, phosphate fertilizers, commercial aircraft and parts, and parts for automatic data processing equipment. Yugoslav exports to the United States include wooden furniture, canned meats, tobacco, ferroalloys, footwear, car tires, nonferrous metals, clothing, and automobiles.

Because of a foreign exchange shortage, future export opportunities for the West will be concentrated in certain industry sectors designated by the Yugoslav Government for further development. Such prospects exist in energy, transportation, agriculture, and food processing. In addition, products that are good prospects for sales, provided that serious marketing efforts are undertaken, include metalworking equipment, electronic components, computers and peripherals, analytical and scientific instruments, and telecommunications equipment. A market also will exist for machinery and supplies intended for export-oriented Yugoslav manufacturers.

Agriculture

Early efforts to collectivize agriculture were abandoned after the 1948 break with Stalin, and the present structure, in which 84% of the arable land is worked by small private farms (averaging 3.2

Further Information

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For information on economic trends, commercial development, production, trade regulations, and tariff rates, contact the International Trade Administration, US Department of Commerce, Washington, DC 20230 or any Commerce Department district office.

hectares each), has continued largely unchanged. The remaining 16% of arable land is farmed as *kombinats*—institutions that operate with socially owned funds on a self-management basis.

Production has increased steadily over the years as a result of widespread mechanization and expanded use of fertilizers and modern agricultural methods. However, the full potential of Yugoslav agriculture has not been achieved. Impediments include an aging farm population and fragmented, small farms, which result in an estimated 15% of arable land lying fallow. Insufficient investment in private agriculture, a lack of an effective extension service, and erratic pricing policies contribute to this problem.

Major crops include corn, wheat, sugar beets, potatoes, tobacco, soybeans, sunflower seeds, and fruits. In 1986, corn production set a new record of 12.5 million metric tons. Wheat production reached 4.8 million metric tons, and the 1986 sugar beet harvest 5.6 million. Grape production rose to 1.5 million metric tons from a disappointing 962,000 in 1985.

Yugoslavia also is an important producer of livestock. Red meat production rose to 1.6 million metric tons in 1986, while poultry production amounted to 63,000 metric tons.

Agricultural imports include cotton, soybeans, protein meals, vegetable oils, hides and skins, tropical produce, and citrus fruits. With the aid of the GSM-102 credit guarantee program, Yugoslavia has become an important customer for U.S. cotton and hides and skins in the last few years. In fiscal year 1985, a total of $170 million in U.S. Commodity Credit Corporation (CCC) credit guarantees were approved to Yugoslavia for purchases of U.S. cotton, hides and skins, oilseeds, and vegetable protein meals. Availability of CCC credit guarantees will continue to be a deciding factor for future U.S. commodity sales.

Major Yugoslav agricultural products sold in the United States are canned pork, tobacco, and wine. Yugoslav agricultural exports to the United States in 1987 increased slightly but still totaled only $69 million. This compares to $109 million worth of U.S. agricultural sales to Yugoslavia in the same period.

FOREIGN RELATIONS

The primary factor in Yugoslav foreign policy since 1948 has been Tito's insistence on "being master in his own house"—staking out an independent course to socialism. This issue sparked Yugoslavia's expulsion from the Soviet-dominated Cominform in 1948, and since then, Yugoslavia has avoided the vulnerability of isolation. Yugoslavia has succeeded in establishing friendly relations with most states, regardless of their sociopolitical systems. To reinforce its independence, Yugoslavia has sought to maintain diplomatic and economic ties with the West, particularly Western Europe—a process that was considerably strengthened after the 1968 Soviet invasion of Czechoslovakia.

Relations with the Soviet Union historically have fluctuated between periods of wary rapprochement and uneasy tension. Soviet General Secretary Gorbachev's rise to power in 1985 ushered in an improvement in bilateral ties unmatched since Tito's break from Stalin in 1948. The Yugoslavs, nevertheless, firmly reject the traditional Soviet definition of "proletarian internationalism," Soviet-Cuban attempts to move the Nonaligned Movement closer to Moscow, and foreign interference, such as in Cambodia or Afghanistan.

Yugoslav relations with its neighbors are generally good. Yugoslav-Albanian and, to a lesser degree, Yugoslav-Bulgarian and Yugoslav-Greek relations are clouded by ethnic and historic problems.

A cofounder of the Nonaligned Movement, Yugoslavia has made nonalignment the cornerstone of its foreign policy and a platform from which to project Yugoslav influence and leadership in the Third World and international forums.

The Yugoslavs strive to create an alternative to superpower blocs, to build the Nonaligned Movement into an effective political force internationally, and to uphold the movement's traditional opposition to foreign domination, both from "imperialism" and from "hegemonism."

U.S.-YUGOSLAV RELATIONS

The United States has sought to support Yugoslavia in its goal of maintaining complete independence and, through political, commercial, and cultural involvement, has attempted to offer Yugoslavia alternatives to dependence on the Soviet Union.

Yugoslavia enjoys most-favored-nation tariff treatment under U.S. tariff schedules and, under the Trade and Tariff Act of 1984, may utilize the generalized system of preferences (GSP) for duty-free access for much of its exports to the United States. Yugoslavia is the ninth largest user of GSP.

The United States encourages American firms to consider investment in Yugoslavia. Since the original law was enacted in 1968, Yugoslav joint venture regulations have been revised several times, with the most recent revision in November 1984. The current law, considered more attractive to potential foreign investors, no longer limits the percentage of equity that the foreign partner can contribute. Yugoslavia is now considering further improvements to the law, such as liberalizing conditions for repatriation of earnings to Western investors. More than 30 joint ventures involving American capital have been registered in the 17-year law. Many of these have been assisted by the U.S. Overseas Private Investment Corporation, which provides risk insurance for such investment. The Export-Import Bank has long been active in Yugoslavia and has particularly supported U.S. sales of aircraft and machinery for the steel, chemical, and nuclear energy industries through export credits and guarantees totaling almost $1 billion. In addition, CCC financing programs have

Travel Notes

Visas: Travelers must obtain entry visas, either from a Yugoslav Embassy or Consulate or at any Yugoslav border-crossing point or airport. Travelers applying at borders or airports may face long delays, especially during the tourist season. Travelers with US official or diplomatic passports cannot be issued visas on arrival in Yugoslavia but must obtain them from a Yugoslav Embassy or Consulate abroad.

Climate and clothing: The coastal area enjoys a mild, Mediterranean climate with a mean temperature of 27 °C(80 °F) in summer. The interior has a moderate, continental climate with warm summers and cold winters.

Telecommunications: Telephone, telegraph, and wireless services, both national and international, are satisfactory.

Transportation: Trains offering service throughout Europe and as far east as Istanbul operate daily year round. In larger cities, inexpensive public transportation is provided by streetcars and buses. Taxis are available.

National holidays: New Year's Day, May Day (May 1–2), Fighter's Day (July 4), Day of the Republic (Nov. 29–30).

supported American agricultural exports to Yugoslavia. Since its inception, the U.S.-Yugoslav Economic Council, a nongovernmental organization established in 1974 to promote bilateral trade and investment, has expanded from 50 to more than 165 U.S. firms and holds annual meetings in each country to bring Yugoslav and American business and banking representatives together.

In 1948 and 1964, Yugoslavia concluded agreements on financial claims of U.S. citizens for their nationalized property. It also has reached agreement with the New York-based representatives of holders of prewar Yugoslav bonds denominated in dollars.

In 1961, Yugoslavia and the United States concluded an agreement establishing additional reading rooms in the U.S. Embassies and Consulates in Belgrade and Zagreb. In 1970, a U.S. Information Center was opened in Ljubljana. Additional centers also are open in Skopje, Sarajevo, and Titograd.

In 1964, a U.S.-Yugoslavia Fulbright agreement for educational exchange was signed, the only such agreement with a communist country. Each year 70–80 Yugoslav students, research scholars, and professors study and teach in the United States with whole or partial U.S. Government sponsorship. Others attend U.S. universities under private auspices. More than 20 American professors lecture annually at Yugoslav universities, and a significant number of other American scholars study and do research in Yugoslavia.

In 1988, the United States and Yugoslavia signed a Convention on Consular Relations, as well as a joint statement granting consular officers rights of access to dual nationals who are imprisoned or held under detention.

U.S.-Yugoslav relations have been strengthened by continuing high-level visits. In 1963, President Tito visited the United States, and in September 1970, President Richard Nixon became the first U.S. President to visit Yugoslavia. President Tito also paid a state visit to the United States in October 1971 and made his final visit in March 1978. Vice President George Bush visited Belgrade in 1983, and Yugoslav President Mika Spiljak visited Washington in February 1984. Prime Minister Milka Planinc visited the United States in May 1985. Yugoslav Deputy Prime Minister Milosavljevic visited Washington in 1987, as did members of the Yugoslav State Presidency Vrhovec in 1988. These visits demonstrate the continuity of both sides' interest in maintaining good relations. Despite different views on a number of foreign policy issues, U.S. policy is based on strong and continuing support for Yugoslavia's independence, unity, and territorial integrity and respect for Yugoslavia's nonalignment. Bilateral relations are conducted in a spirit of cooperation, equality, and mutual respect, marked by regular consultations.

Principal U.S. Officials

Ambassador—Warren Zimmermann
Minister-Counselor of Embassy—Robert Rackmales
Public Affairs (USIS)—Bruce Koch
Political Affairs—Louis Sell
Economic Affairs—Patrick Nichols
Administration Affairs—William Hudson
Agricultural Affairs—Steve Washenko
Consular Affairs—William E. Ryerson
Defense and Air Attache—Richard L. Whisner
Naval Attache—Theodore Laven
Army Attache—Kenneth Kuckowicz
Commercial Attache—David Katz
Consul General, Zagreb—Michael Einek

The U.S. Embassy in Yugoslavia is located at Kneza Milosa 50, Belgrade (tel. 645–655). The U.S. Consulate General in Zagreb is at Brace Kavurica 2 (tel. 444–800). ■

Published by the United States Department of State • Bureau of Public Affairs
Office of Public Communication • Editorial Division • Washington, D.C. • April 1989
Editor: Juanita Adams

Department of State Publication 7773
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☆U.S. Government Printing Office : 1989 - 242 -024/80049